



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

APR 28 2015

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Michael Estadt, Plant Manager  
KCBX Terminals Company  
3259 East 100<sup>th</sup> Street  
Chicago, Illinois 60617

Re: Notice of Violation  
KCBX Terminals Company  
Chicago, Illinois

Dear Mr. Estadt:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to KCBX Terminals Company (KCBX) under Section 113(a)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1). We find that you are in violation of the CAA, 42 U.S.C. §§ 7401 *et seq.*, and the Illinois State Implementation Plan, at your Chicago, Illinois facility.

Through three information requests issued under Section 114 of the CAA, 42 U.S.C. § 7414, dated November 15, 2013, April 14, 2014, and February 17, 2015, EPA requested that KCBX install and operate particulate matter air monitors and report monitoring data to EPA. EPA had previously issued an NOV to KCBX based on air monitoring data from February 18, 2014 through May 10, 2014. The attached NOV is based on the air monitoring data submitted by KCBX since May 10, 2014. EPA is issuing this NOV in coordination with the Illinois Environmental Protection Agency and other Agencies that are working to regulate the petroleum coke piles at KCBX. EPA continues to be confident that a coordinated enforcement effort will assist in the most beneficial resolution of these matters.

Section 113 of the CAA gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action.

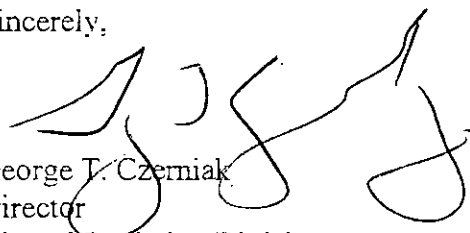
We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you the opportunity to present information on the specific findings of

violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The technical contacts for this matter are Molly Smith at (312) 353-8773 and Ray Cullen at (312) 886-0538. You may call either to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. Communications by counsel should be directed to Nicole Cantello at (312) 886-2870. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely,



George J. Czerniak  
Director  
Air and Radiation Division

Enclosure

cc: Eric Jones, Manager  
Compliance Unit  
Bureau of Air  
Illinois Environmental Protection Agency

United States Environmental Protection Agency  
Region 5

IN THE MATTER OF:	)	NOTICE OF VIOLATION
	)	
KCBX Terminals Company	)	EPA-5-15-IL-08
Chicago, Illinois	)	
	)	
	)	
Proceedings Pursuant to Section 113(a)(1)	)	
of the Clean Air Act,	)	
42 U.S.C. § 7413(a)(1)	)	

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**NOTICE OF VIOLATION**

The U. S. Environmental Protection Agency (EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1). EPA finds that KCBX Terminals Company (KCBX) in Chicago, Illinois, is in violation of the CAA, 42 U.S.C. §§ 7401 *et seq.*, and the Illinois State Implementation Plan (SIP) as specified below.

**Statutory and Regulatory Authority**

1. The CAA, 42 U.S.C §§ 7401, *et seq.*, and the regulations promulgated thereunder, establish a statutory and regulatory scheme designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population.

**National Ambient Air Quality Standards**

2. Pursuant to Sections 108 and 109 of the CAA, 42 U.S.C. §§ 7408 and 7409, EPA revised the National Ambient Air Quality Standards (NAAQS) for particulate matter equal to or less than 10 microns in diameter (PM<sub>10</sub>) on October 17, 2006. 71 *Fed. Reg.* 61224 (October 17, 2006).

3. The revised national primary and secondary ambient air quality standard for PM<sub>10</sub> is 150 micrograms per cubic meter ( $\mu\text{g}/\text{m}^3$ ), 24-hour average concentration. The standard is attained when the expected number of days per calendar year with a 24-hour average concentration above 150  $\mu\text{g}/\text{m}^3$ , as determined in accordance with Appendix K to 40 C.F.R. Part 50, is equal to or less than one. See 40 C.F.R. § 50.6.

4. Appendix K to Part 50 explains the computations necessary for analyzing particulate matter data to determine attainment of the 24-hour standards specified in 40 C.F.R. § 50.6.

### Illinois SIP

5. On May 31, 1972, EPA approved Illinois Pollution Control Board (IPCB) Rules 101 and 102 as part of the federally enforceable SIP for the State of Illinois. 37 *Fed. Reg.* 10842 (May 31, 1972). IPCB Rule 101 has been recodified at 35 Illinois Administrative Code (Ill. Admin. Code) § 201.102. IPCB Rule 102 has been recodified at 35 Ill. Admin. Code § 201.141.

6. The Illinois SIP at 35 Ill. Admin. Code § 201.141 provides, in pertinent part, that no person shall cause or threaten or allow the discharge or emission of any contaminant into the environment in any State so as, either alone or in combination with contaminants from other sources, to cause or tend to cause air pollution in Illinois or so as to prevent the attainment or maintenance of any applicable ambient air quality standard.

7. The Illinois SIP at 35 Ill. Admin. Code § 201.102 defines "Ambient Air Quality Standard" as those standards promulgated from time to time by the IPCB pursuant to authority contained in the Illinois Environmental Protection Act and found at 35 Ill. Adm. Code 243, or by the U.S. Environmental Protection Agency pursuant to authority contained in 42 U.S.C. 7401 *et seq.* as amended from time to time.

8. The Illinois SIP at 35 Ill. Admin. Code § 201.102 defines "Air Pollution" as the presence in the atmosphere of one or more air contaminants in sufficient quantities and of such characteristics and duration as to be injurious to human, plant, or animal life, to health, or to property, or to unreasonably interfere with the enjoyment of life or property.

9. The Illinois SIP incorporated the 24-hour NAAQS for PM<sub>10</sub> as 150 µg/m<sup>3</sup>, 24-hour average concentration. The primary and secondary NAAQS for PM<sub>10</sub> are attained when the expected number of days per calendar year with a 24-hour average concentration above 150 µg/m<sup>3</sup> is equal to or less than one. See 35 Ill. Admin. Code § 243.120.

10. The Illinois SIP at 35 Ill. Admin. Code § 201.102 defines "PM<sub>10</sub>" as particulate matter that has an aerodynamic diameter less than or equal to a nominal 10 micrometers (µm).

11. The Illinois SIP incorporates by reference Appendix K to 40 C.F.R. Part 50 (Interpretation of the Primary and Secondary National Ambient Air Quality Standards for Particulate Matter), referenced in 35 Ill. Admin. Code § 243.120.

### Factual Background

12. KCBX owns and operates two bulk storage facilities (the Facilities) located at 3259 East 100<sup>th</sup> Street (the North Plant) and 10740 South Burley Avenue (the South Plant) in Chicago, Illinois. The Facilities unload, store, and load coal and petroleum coke, among other things.

13. To control air pollution emissions, the Facilities employ automated water cannon systems, truck wheel washing stations, a baghouse for rail car unloading, a surfactant and encrusting product on storage piles, some covered conveyors, spray bars on conveyors and transfer points, water trucks on facility roads, and a street sweeper on neighborhood streets.

14. To evaluate the air impact of fugitive particulate matter from the Facilities, EPA has issued to KCBX three information requests under Section 114 of the CAA, 42 U.S.C. § 7414, dated November 15, 2013, April 14, 2014, and February 17, 2015, requiring it to install, operate and maintain ambient continuous and filter-based PM10 monitors and meteorological stations at the Facilities (the Requests).

15. The Requests specified, among other things, that KCBX shall install, operate, and maintain three "ambient monitoring sites" at each of its Facilities. In response to the November Request, on December 16, 2013, KCBX submitted, among other things, a document entitled "Particulate Matter Less Than Ten Microns Air Quality Monitoring Siting Study Report" which provided a monitor siting plan and states that the objective of the Plan is to demonstrate that operations at both terminals are meeting the PM10 NAAQS. KCBX certified the December 16, 2013, response.

16. In accordance with the November 15, 2013, Request, KCBX submitted proposed monitoring sites to EPA on December 16, 2013, which EPA approved on December 24, 2013.

17. On February 18, 2014, KCBX began operating all the PM<sub>10</sub> monitors and the meteorological stations at the Facilities.

18. On March 13, 2014, KCBX submitted a Quality Assurance Project Plan in response to the November 15, 2013, Request which states on the cover page: "This document details a quality assurance plan to guide the successful implementation of Ambient Air Monitoring by URS Corporation at the KCBX Terminals Company North and South Terminals in Chicago, IL."

19. On February 25, 2015, KCBX submitted monitoring data to EPA for February 8, 2015, through February 14, 2015, which shows that on February 14, 2015, the southeast PM10 continuous monitor at the North Plant recorded a 24 hour average of 175 µg/m<sup>3</sup>.

20. The data from the meteorological station at the North Plant shows that the wind on February 14, 2015, was from the northwest at an average 11.9 miles per hour.

### Violations

21. KCBX caused the emission of  $PM_{10}$  into the air, so as, either alone or in combination with contaminants from other sources, to cause or tend to cause, air pollution in Illinois and/or to prevent the maintenance of the revised NAAQS for  $PM_{10}$  in violation of the Illinois SIP at 35 Ill. Admin. Code § 201.141.

### Environmental Impact of Violations

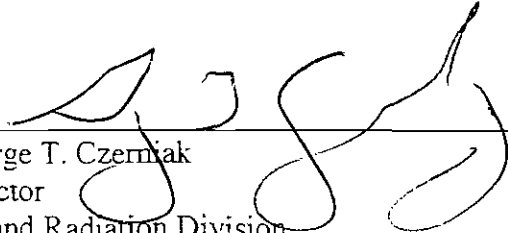
22. Excess emissions of particulate matter contain microscopic solids or liquid droplets, which may get deep into the lungs and cause serious health problems. Particulate matter exposure contributes to:

- irritation of the airways, coughing, and difficulty breathing;
- decreased lung function;
- aggravated asthma;
- chronic bronchitis;
- irregular heartbeat;
- nonfatal heart attacks; and
- premature death in people with heart or lung disease.

Date

A/28/15

George T. Czerniak  
Director  
Air and Radiation Division



**CERTIFICATE OF MAILING**

I, Loretta Shaffer, do hereby certify that a Notice of Violation of the Clean Air Act was sent by Certified Mail, Return Receipt Requested, to:


Michael Estadt, Plant Manager  
KCBX Terminals Company  
3259 East 100<sup>th</sup> Street  
Chicago, Illinois 60617

I also certify that I sent copies of the NOV by first class mail to:

Eric Jones, Manager  
Compliance Unit  
Bureau of Air  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Springfield, Illinois 62794-9276

Adam Kushner, Esq.  
Hogan Lovells US LLP  
Columbia Square  
555 Thirteenth Street, NW  
Washington, DC 20004

on the 30 day of April, 2015.

  
for Loretta Shaffer, Program Technician  
AECAB, Planning and Administration Section

CERTIFIED MAIL RECEIPT NUMBER: 7014 2870 0001 9580 4909